

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE
Writ Petition No.6276 of 2004

M/s.Brihan Maharashtra Steel
Industries Ltd.

Petitioners

Vs.

State of Maharashtra & anr.

Respondents

Mr.R.D.Dhanuka with Mrs.R.R.Dhanuka for petitioners.
Mrs.M.P.Thakur, AGP for State.

CORAM: B.H.MARLAPALLE & NARESH H.PATIL,JJ.

September 12, 2006.

P.C.

1. Heard the learned counsel for the petitioners as well as the learned AGP for the respondent - authorities. The Director of Industries, Konkan Region is present in the Court.

2. The petitioner came to be registered as a company under the Companies Act, 1956 in April 1994. The State of Maharashtra had announced Special Capital Incentives to various industrial units that would be located in the specified areas and particularly economically backward areas. The petitioner was one of the industrial units who applied for benefit of Special Capital Incentives vide their application dated 1/9/1999 to the State Government, who had appointed the respondent no.2 as

the implementing agency. Vide letter dated 6/9/1999 the respondent no.2 had informed the petitioners that its application was approved and the disbursement of the amount of Rs.30 lakhs towards the Special Capital Incentives would be made to the petitioners but on receipt of funds from the Government and subject to the petitioners complying with the conditions set out in the Scheme. The petitioners applied for the eligibility certificate for their new unit set up in the Konkan Region and the eligibility certificate was granted on 9/9/1999 for the manufacture of drum closures. The capital cost of the project was at Rs.417.74 lakhs and the maximum entitlement of the sales tax incentive came to the tune of Rs.375.97 lakhs. A copy of the eligibility certificate was submitted to the respondent no.2 in respect of the factory located on Plot No.M-6, MIDC Area, Murbad, Dist. Thane. A reminder was sent to the respondent no.2 on 19/4/2001 for clearance of the Special Capital Incentives of Rs.30 lakhs as was assured to the petitioners and nothing further moved inspite of the reminders from time to time. Finally the petitioner - company approached this Court.

3. Mr.V.W. Bhamare, Deputy Director of

Industries, Konkan Division at Thane has filed affidavit-in-reply on behalf of the Respondent No.1 i.e. State of Maharashtra and it is clearly stated that the claim of the petitioners is not disputed but the amount of Rs.30 lakhs would be disbursed as and when the funds are available. It is further pointed out that there are a large number of industrial units waiting in the queue for disbursement of the Special Capital Incentives amount and the petitioners' case will be considered as and when its turn comes in the waiting list. This is too vague a commitment by the State Government which announced the benefit of Special Capital Incentives for the development of the backward industrial areas. Mrs.Thakur, the learned AGP has placed before us a statement pertaining to the pendency of the claims of medium and large scale units from Konkan Region since 3/2/1994. As per the said statement as on 31/3/2005 there are about 121 pending claims and the petitioner is at Sr.No.111 in the said list. If the backlog of "D" category area is cleared by the State Government, the claim of the petitioner stands at Sr.No.24 and if backlog of Categories "B", "C" and "D" is collectively cleared, the petitioner stands at Sr.No.111. The State Government is reluctant to make any commitment as to

when the amount will be released. No time bound schedule is coming forth from the respondent nos.1 and 2 for disbursement of this benefit.

4. We have noted that the pending claims for Konkan Region alone involve an amount of Rs.15.60 crores and it is not such a large amount that the State Government cannot make available for disbursement to meet its commitment of disbursement of Special Capital Incentives to the industrial units. An amount of Rs.30 lakhs for the petitioner is a big amount and it has been pending for the last more than seven years or so. As noted earlier the claims are pending from February 1994 and there are in all 121 claims in the queue. If the State Government has announced a policy, it must take appropriate steps to maintain that commitment and necessary financial outlay must be provided.

5. We, therefore, direct the State of Maharashtra through the Principal Secretary, Department of Industries to clear all the pending 121 cases of Special Capital Incentives amount disbursement in the Konkan Region as expeditiously as possible and in any case before 31st March 2007 and the same direction

applies to the petitioners' claim as well.

6. The petition is disposed off in terms of the above directions. Writ to go forthwith to the Principal Secretary, Department of Industries, Government of Maharashtra and the Managing Director, SICOM.

(NARESH H. PATIL,J.)

(B.H.MARLAPALLE,J.)